

profiles (conservative, most likely, optimistic). You should express costs in constant real dollar terms for the base year. You may also express the uncertainty of each cost estimate with a minimum and maximum percentage of the base value.

(g) A spending schedule. You should provide costs for each year (in real dollars) for each category in paragraphs (a) through (f) of this section.

(h) A summary of other costs which are ineligible for evaluating your need for relief. These costs cover:

(1) Expenses before first discovery on the field;

(2) Cash bonuses;

(3) Fees for royalty relief applications;

(4) Lease rentals, royalties, and payments of net profit share and net revenue share;

(5) Legal expenses;

(6) Damages and losses;

(7) Taxes;

(8) Interest or finance charges, including those embedded in equipment leases;

(9) Fines or penalties; and

(10) Money spent on previously existing obligations (e.g., royalty overrides or other forms of payment for acquiring a financial position in a lease, expenditures for plugging wells and removing and abandoning facilities that existed on the application submission date).

#### **§ 203.90 What is in a fabricator's confirmation report?**

This report shows you have committed in a timely way to the approved system for production. This report must include the following (or its equivalent for unconventionally acquired systems):

(a) A copy of the contract(s) under which the fabrication yard is building the approved system for you;

(b) A letter from the contractor building the system to the MMS's GOM Regional Supervisor—Production and Development, certifying when construction started on your system; and

(c) Evidence of an appropriate down payment or equal action that you've started acquiring the approved system.

#### **§ 203.91 What is in a post-production development report?**

For each cost category in the deep water cost report, you must compare actual costs up to the date when production starts to your planned pre-production costs. If your application included more than one development scenario, you need to compare actual costs with those in your scenario of most likely development. Keep supporting records for these costs and make them available to us on request.

#### **Subpart C—Federal and Indian Oil [Reserved]**

#### **Subpart D—Federal and Indian Gas [Reserved]**

#### **Subpart E—Solid Minerals, General [Reserved]**

#### **Subpart F—Coal**

#### **§ 203.250 Advance royalty.**

Provisions for the payment of advance royalty in lieu of continued operation are contained at 43 CFR 3483.4.

[54 FR 1522, Jan. 13, 1989]

#### **§ 203.251 Reduction in royalty rate or rental.**

An application for reduction in coal royalty rate or rental shall be filed and processed in accordance with 43 CFR group 3400.

[54 FR 1522, Jan. 13, 1989]

#### **Subpart G—Other Solid Minerals [Reserved]**

#### **Subpart H—Geothermal Resources [Reserved]**

#### **Subpart I—OCS Sulfur [Reserved]**

### **PART 206—PRODUCT VALUATION**

#### **Subpart A—General Provisions**

Sec.

206.10 Information collection.

#### **Subpart B—Indian Oil**

206.50 Purpose and scope.